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United States Senate

COMMITTEE ON SMALL BUSINESS
WASHINGTON, DC 20510-6350

January 14, 1999

LET'S FINISH THE JOB — FULL DEDUCTIBILITY OF HEALTH INSURANCE FOR THE SELF-EMPLOYED IN 1999

Dear Colleague:

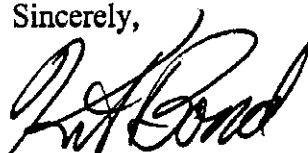
In the last Congress we made significant progress in moving the date for 100% deductibility of health insurance for the self-employed up to 2003. Still, the self-employed and their families should not have to wait four more years for equal treatment. This is especially true when there are more than five million individuals in families headed by a self-employed person who have no health insurance at all, according to estimates from the Employee Benefits Research Institute. And those families include more than a million children who lack adequate health insurance coverage.

As we start the 106th Congress, I plan to introduce legislation to finish this top priority for small businesses across the country. As a matter of tax equity, the self-employed have been at a disadvantage for too long. Compared with their corporate competitors, which can fully deduct the cost of health insurance for their employees, the self-employed can deduct only 60% of their costs this year. To level the playing field, I will introduce legislation once again to increase the self-employed health-insurance deduction to 100% beginning this year.

Full deductibility of health insurance for the self-employed has been my goal for more than four years. I am committed to making this year the one in which that goal is finally achieved. Please join me in continuing the bipartisan support for this legislation to bring fair and equal treatment to the millions of self-employed individuals who contribute so greatly to our communities and our nation.

If you would like to be a co-sponsor, or if you have any questions, please call me or have your staff contact Mark Warren, Tax Counsel for the Committee on Small Business, at 4-5175.

Sincerely,



Christopher S. Bond
Chairman